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THE SOVIET WORLD

Despite some statistical juggling, the Soviet report on 1953 economic performance discloses a continuing decline in the rate of economic expansion. The official figures show an increase in national income of eight percent compared with eleven percent for 1952, an increase in state capital investment of four percent compared with eleven percent, and an increase of six percent in labor productivity compared with seven percent. In all these key economic indices, 1953 gains are short of those required by the Five-Year Plan.

Despite these downward trends, industrial production is reported as having increased 12 percent in 1953 compared with 11 percent in 1952. An important part of the 1953 increase is attributable to an addition to the industrial labor force almost double that of 1952. A small part of the increase may also have resulted from transfer of MVD economic enterprises to industrial ministries.

Soviet press coverage of the economic report places special emphasis on achievements in expanding consumer goods availability. The government is attempting to improve worker incentives both through its accomplishments to date in this field and by fostering the popular expectation that further important gains are forthcoming. Such improvements are largely dependent on performance in Soviet agriculture, where certain successes have already been announced.

The official report on 1953 agricultural plan fulfillment implies that last year's achievements approximated 1952 production despite adverse weather. The census figures for livestock in 1953 reflect primarily a change in the date for counting from 1 January to 1 October of each year. The percentage increase reported, however, may indicate some success in raising live-stock herds. The grain crop last year is described as "close to" the good harvest of 1952. Increases are claimed in the harvest of cotton, sugar beets, vegetables, and sunflower seed, and the potato crop was "about equal" to that of 1952.

Last year agriculture reportedly received many more tractors and trucks than in 1952. Deliveries of other cultivating machinery were about the same. Fifteen percent more mineral fertilizer was supplied to agriculture in 1953, although the increase in production of mineral fertilizers was reported as only nine percent compared to eight percent for 1952.

The report claims completion of the plan for transferring 100,000 technicians to the machine tractor stations despite Soviet press criticism in the past few months of lags in this effort and of the inhospitable reception given the new technicians by the farmers. The Kremlin's continuing emphasis on the role of the machine tractor stations in the new agricultural program was conspicuous at the all-union conference of machine tractor station workers called for 25 January by the central committee of the party and the council of ministers. All members of the party presidium and secretariat with the exception of Molotov attended at least one of the sessions and Premier Malenkov and Party Secretary Khrushchev were present at three of the meetings. More than 2,000 leading specialists attended. Minister of Agriculture Benediktov spoke at the opening of the conference and Khrushchev made a long summary report at the close.

The government's attempt to increase worker incentives is reflected by the announced 12 percent increase in production of consumer goods and the still greater expansion claimed for retail sales. Nevertheless, retail trade for 1953 fell at least four billion rubles short of the supplementary target of 37 billion rubles announced in October, and other goals were far from reached.

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THE GROWING STRENGTH OF ITALIAN COMMUNISM

The Communists' rising popularity in Italy since last June's general election is evidenced in their gains in recent local elections and in their increasing domination in the labor field. Developments under the three governments since June emphasized a number of underlying factors responsible for the Communists' political appeal. The party still appears, however, to be at least a year away from the point at which a general election could put it in a position to bid seriously for participation in the government.

Holding 143 seats in the 590-member Chamber of Deputies, the Communists virtually control another 75 seats through their unity of action pact with the Nenni Socialists. The bloc as a whole polled 35.3 percent of the popular vote in the June elections, or only 5 percent less than the Christian Democrats.

The association with a man of Nenni's stature is of considerable propaganda advantage, since it enables the Communists to maintain the "popular front" fiction, and also because he is the principal Italian spokesman for Soviet "peace" movements. Nenni has periodically threatened to break with the Communists, but could not in fact take his present following with him unless it were clear that his new allies would support a bold social reform program.

The Communists also control about one fourth of the provincial and communal councils and have gained votes in a few local elections in recent months. In the south Italian commune of Laterza, the Communists and Nenni Socialists on 8 December won control of the municipal council, ousting a Christian Democratic-Monarchist coalition. In the provincial elections in Taranto, the Christian Democrat elected from the commune of Martina Franca received less than a majority vote, and the extreme leftist parties won about 40 percent more votes than in the June 1953 national elections.

The Communists' most striking gains during the past six months have been in the labor movement. Here they have long controlled Italy's most important confederation, which comprises some 3,500,000 workers as compared to about 1,500,000 in the two democratic confederations. That these proportions tended to alter even further in the Communists' favor during the latter half of 1953 is suggested by the results of 14 shop steward elections where comparison is possible with

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previous voting in the same factories since early 1952. In 11 of these elections, including those in the more important defense plants, the Communists' percentage of the total vote showed increases of up to 14 percent; and in only one case was there any marked rise in the non-Communist vote. Taken all together, the elections show a net gain of two percent by the Communist unions.

Perhaps a truer measure of the Communists' growing strength in the labor field was their success in getting the non-Communist unions to cooperate, for the first time since 1947, in the joint strikes of 20 September and 11 and 15 December. The non-Communist unions were virtually pushed into this unity of action by the Pella government's failure to force employers to stop discrimination in favor of the Communists, whom they hire freely and with whose union they prefer to deal because it exerts the widest influence. An equally strong factor was the government's proposal to enact restrictive labor legislation despite the opposition of Christian Democratic union leaders.

In both the labor and political fields, the main source of Communist strength is still the worker's belief that the Communist Party is the one most interested in his welfare. This belief is reinforced by the aggressive Communist strike policy and by the widespread Communist "social security" system, financed partially by participation in firms engaged in legal and illegal East-West trade.

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The Pella cabinet, like all other postwar Italian governments, failed either to attack the sources of Communist strength directly or to remedy the basic economic conditions which the Communists exploit. The party, for example, still has access to government printing presses; it still holds the ex-Fascist properties seized at the end of World War II, and derives funds from the profits of East-West trade. Communist promises of parliamentary "tolerance" last November reportedly persuaded Pella to abandon any plans for corrective action. The government has consistently failed to step up land reform or to expand public investment as a means of reducing unemployment.

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MOSLEM LEAGUE GOVERNMENT LIKELY TO WIN
EAST PAKISTAN ELECTIONS

In the first general elections scheduled for mid-February in East Pakistan, the present Moslem League government is expected to retain control of the province despite the efforts of an opposition coalition and an active Communist Party.

Elections in this area have been postponed for more than two years, apparently because of the Moslem League's fear that its failure to solve major economic and political problems would affect the outcome. With the completion of general elections in the three other major provinces, however, there were increased demands for an election both from the opposition and from segments of the Moslem League itself. By mid-1953 Karachi had decided to hold it.

Loss of these elections would be a severe blow to the Moslem League, since East Pakistan is the country's largest and richest province, containing over 55 percent of the population and producing more than half of the foreign exchange and the central government revenues. Such a defeat might also encourage autonomist activities in both East and West Pakistan, which would complicate Karachi's problems of maintaining control.

The formation of an opposition coalition, the United Front, directly threatens the Moslem League by offering the voters for the first time a genuine alternative under the leadership of two personally popular and experienced politicians, H.S. Suhrawardy and A.K. Fazlul Huq. Both of these men were prime ministers of Bengal province before the partition of India. The core of the front is the Awami Moslem League, which in early July was reorganized by Suhrawardy and its provincial president, Maulana Abdul Bhashani. The only other important component of the front is the Krishak Sramik (Peasants and Workers) Party, formed by Huq, an ousted Moslem League member, with the support of five other dissidents.

The United Front has apparently enjoyed a widespread response to its demands for a "truly Islamic" national constitution, greater provincial autonomy, the establishment of Bengali as a second national language, and the nationalization of all foreign economic interests.

Although the Communist Party re-emerged as an overt organization and intensified its front activities during the past year, it apparently poses no serious threat in the elections. It may

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exert some pressure through the Awami League

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The opposition drive may be weakened by the competition between its leaders, which delayed the United Front's formation over a month. Collaboration with the Communists, moreover, would open the front to serious Moslem League attacks, especially since religion is a major campaign issue. Suhrawardy, in conversation with American consular officials, admitted that the Moslem League will probably be returned to power, but reportedly believes that new elections will be necessary within a year.

The Moslem League's response to the opposition's campaign has been primarily defensive, but the league appears to be winning increasing popular support as a result of the dynamic attitude of its leaders and the full support of the central government. Prime Minister Mohammed Ali has already spent nearly a month energetically electioneering in East Pakistan. Election tours by Provincial Chief Minister Nurul Amin and other prominent central and local officials have reportedly become triumphal processions. Their campaign stresses the Islamic nature of the constitution, favors national unity, asserts that provincial rights are already well protected, and calls for a free economy to speed development.

The league and the provincial government apparently have been successful in stabilizing their position through reorganization, the removal of Huq and other dissidents, and increased representation of East Pakistan in the central cabinet. The entrenched position of the league in office, its patronage powers, and its financial resources are strong additional factors in its favor. The league, which now controls all but a few of the 237 nonreserved seats in the East Pakistani Assembly, reportedly believes that its chance for victory is now fairly good, and there seems little doubt that it will win at least a working majority.

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IRAQ AND MIDDLE EAST DEFENSE PLANNING

Anti-Westernism, domestic politics, and pressure from other Arab states are likely to bar Iraq's early participation in a regional defense pact and complicate the government's efforts to obtain parliamentary and popular approval of American military aid.

Since March 1953, Iraq has been pressing for such aid, and on 25 January Prime Minister Jamali suggested to Ambassador Berry that he would sympathetically consider any proposals for a military pact with Turkey and Pakistan. While these moves have not been made public, rumors have been bruited about in the Iraqi press and have been used by anti-Western elements to force Jamali to make embarrassing denials.

Jamali issued three formal denials that Iraq would join a pact linked to NATO, and these disavowals were praised by most of the Iraqi press. Parliamentary questioning forced him also to deny that he was seeking American military aid. These denials buttress increasing popular opposition to a military link with the West. The extremist press threatens that any effort to link Iraq with the West will precipitate another "glorious uprising" like the rioting in 1948 which forced the repudiation of the revised Anglo-Iraqi treaty.

In addition, Jamali's ability to cooperate with the West is being undermined by the conflict between Crown Prince Abdul Ilah and elder statesman Nuri Said which catches Jamali in the middle. This and the fact that his reform program is stymied make his early downfall seem inevitable. This triumph of the old guard over the reform element in Iraq's pro-Western ruling clique increases popular cynicism toward the men who are most aware of a Soviet threat and most interested in meeting it effectively.

Finally, Arab sentiment generally opposes military cooperation with the West. Egyptian leaders made clear to Jamali their opposition to an Iraq-Turkey-Pakistan pact. Syria, which is suspicious of the territorial ambitions of the Iraqi royal family, has also shown its disapproval. Saudi Arabia's rejection of American aid on 15 January will, if publicized, further aggravate Jamali's difficulties.

In this situation, Jamali, who has no popular, parliamentary or military support, is likely to procrastinate on joining a regional defense pact under Western influence and will do well if he can overcome opposition to concluding a military aid agreement with the United States.

SPECIAL ARTICLE

THE CHINESE ROLE IN THE FAR EASTERN COMMUNIST PROGRAM

The Chinese Communist Party has apparently strengthened its relationships with certain other Communist parties in the Far East during the past few years. The Soviet Union acknowledges a bigger Chinese role in Korea, but shows no signs of relinquishing to Peiping its direction of the Far Eastern movement.

The Chinese party's relationships with the Far Eastern Communist parties since the 1920's, Peiping's role as their principal source of outside aid, and China's geographic position have made it impossible for Moscow to achieve exclusive control over them. This reflects Moscow's relationship with Peiping itself. In contrast to the situation in the Eastern European Satellites, the Chinese Party has preserved its organizational autonomy, and the USSR has dealt uniquely with the Peiping regime on a nation-to-nation basis, relying on a strong ideological bond, substantial military and economic aid and advisory programs, and joint involvement in world Communist ventures to maintain unity.

Mao Tse-tung's program in China -- reliance on peasant armies operating from a fixed territorial base -- was officially prescribed for Asian "liberation" movements by Soviet spokesmen from late 1949 to late 1951, and the Soviet press endorsed the view that the Chinese revolution was a "model." Following a period of military reverses for most of these movements, however, each of them except the Viet Minh shifted its emphasis after mid-1951 from military to political forms of action. At a conference in Moscow in November 1951, Soviet theorists gave official sanction to this shift, stating that Chinese Communist tactics must not be "mechanically adopted."

The Moscow conference was evasive on certain critical questions involving Soviet and Chinese relationships with Far Eastern Communist movements. While asserting that Moscow would be responsible for providing "ideological-political support," the conference left obscure the role of Communist China in providing such support.

Although the Cominform journal in January 1954 once again described the Chinese revolution as "typical," all Soviet statements have continued to define Mao Tse-tung's theoretical contribution to the Far Eastern program as limited to the

"creative application" or the "development" of existing Marxist-Leninist theories. Even when asserting that Asian peoples are "led" by the Chinese, they have failed to clarify the kind of "leadership" Peiping is to provide.

Despite these ambiguities in defining Peiping's role, there seems to have been an increase during the past few years in Chinese Communist influence and authority among some of the Asian Communist parties, suggesting that at some future time Peiping might be able, if it chose, to contest Soviet direction. This has been most marked in Korea, where Peiping's contribution to the local Communist cause has been greatest.

North Korea was a model Soviet satellite, responsive solely to Moscow, from 1945 until the Chinese intervention in late 1950. The USSR apparently continues to dominate the regime through its control of Soviet-trained Korean leaders and through advisers in all the ministries and major industrial installations. On the other hand, a substantial part of Communist China's 750,000 troops in Korea are apparently to remain there indefinitely, and the Sino-Korean treaty of 23 November 1953 gives Peiping a strong voice in the economy. Moscow's authority in Korea, once exclusive, now appears to be shared with Peiping.

The Viet Minh, like the Korean Communists, still carefully distinguishes between Moscow as the world leader and Peiping as leader in the Far East. An increase in China's influence has apparently followed the increase in Chinese aid during the past year. On at least one occasion the Viet Minh cleared a major policy speech with its ambassador in Peiping, Chinese Communist theoretical and technical works have been used more widely, and during the current Vietnam-USSR-China Friendship Month, the Viet Minh is giving Peiping unprecedented acknowledgement as the source of "inspiration" and "experience."

Elsewhere in Southeast Asia, the extent of Chinese authority with the indigenous Communist parties appears to vary widely. It seems greatest in Thailand, where Peiping is believed to control both the local Chinese Communist Party and the small Thai Communist organization.

The Burma Communist Party has received limited aid from China in the form of training, sanctuary and money, and it seems to be closer to the Chinese party than to the Soviet. If the Burmese demonstrate the capabilities apparently required of a candidate for substantial Chinese aid, and if such aid is provided, it is expected that Peiping's influence will grow.

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In Malaya and the Philippines, foreign Communist influence is primarily Chinese, but its present extent is uncertain. The only indications of a possible increase in Chinese influence recently have been a greater use of Peiping's propaganda by the Malayan Communists, who are predominantly Malaya-born Chinese.

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The Indonesian Communists, apparently responding to the Soviet-directed shift in the Far Eastern Communist program in 1951, have been enjoying great success with a united front program. Indonesian Communist leaders have also maintained close relations with the Chinese Communist embassy. The opening of a Soviet embassy in Indonesia, scheduled for 1954, may presage an effort by Moscow to assume direct supervision of the Indonesian Communist movement.

The Japan Communist Party still looks primarily to Moscow for guidance, but it shows increasingly strong ties with Peiping. Some of the purged leaders of the Japanese party are reportedly in China, the principal foreign organ of Communist propaganda to Japan is Radio Free Japan near Peiping, and the Japanese party appears to be getting financial help from the Chinese.

Chinese influence among the Asian Communist parties will presumably be enhanced by the recent Soviet insistence on Communist China's stature as a world power. Moscow has specifically acknowledged a new Chinese role in the Far East, however, only in regard to Korea, hailing the Sino-Korean pact of 23 November as a "triumph for proletarian internationalism."

Moscow has not made explicit any new role for the Chinese party on a regional basis, and there is no evidence that it has relinquished to Peiping its direction of the Far Eastern Communist movement. The Soviet concept of Orbit organization still appears to envisage a system of satellites rather than allies and does not seem to allow for the development of a potentially independent setup by any member. Moscow's behavior in respect to Korea thus appears to be a realistic adjustment to a special situation.

The current trend in Sino-Soviet relations suggests that the coordinated Sino-Soviet program in the Far East will continue, with Moscow and Peiping in general agreement on their respective roles. Indications are that Moscow will retain the responsibility for formulating the main lines of the regional program, relying primarily on the efforts of indigenous liberation movements to execute it. Within these terms, Peiping is expected to play a leading role in providing the greater part of the external aid and tactical guidance required by these movements.

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This general formula clearly does not ensure against, and indeed seems to make likely, some Sino-Soviet friction as the Far Eastern program develops. The record of behavior of both Peiping and Moscow, however, provides no support for the hope that they will contribute to a solution of the West's problems in the Far East by falling out among themselves.

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